

Message Text

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ORIGIN XMB-04

INFO OCT-01 AF-10 ISO-00 EB-07 COME-00 /022 R

EXIMBANK

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XMB: C NORRIS
AF/W:RKOTT

-----029051 130321Z /65
R 122116Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY LAGOS

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E.O. 11652: N/A

TAGS: EFIN, NI

SUBJECT: EXIMBANK - ABATEX ARREARAGES

REFERENCE: (A) LAGOS 6735, (B) LAGOS 6684, (C) STATE
114341, (D) STATE 109603

1. EXIMBANK NEEDS CLARIFICATION OF REQUEST (REF. A) THAT
ABATEX LOAN HISTORY BEING PUT TOGETHER BY EXIMBANK FOR
MINFIN ALSO BE SENT TO PEAT, MARWICK AND SAMPSON OF
ABATEX. AS REPORTED REFTELS C AND D, LOAN HISTORY POUCHED
UNDER COVER LETTER DATED MAY 6 WHICH ALSO REQUESTED THAT
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THIS DETAILED ACCOUNTING BE DISTRIBUTED BY EMBASSY. COVER
LETTER AND ABATEX ATTACHMENTS TO BE GIVEN TO PEATS.
SAMPSON'S AWARENESS OF EXACT AMOUNTS AND DATES (REFTEL B)
SUGGESTS HE HAS DATA.

2. FOLLOWING IS TEXT OF EXIMBANK TELEX TO PEAT MARWICK:
QUOTE. OUR EMBASSY IN LAGOS HAS PASSED ON REQUEST OF
SAMPSON OF ABATEX THAT WE CERTIFY TO YOU INDEBTEDNESS OWED
TO EXIMBANK AND CITIBANK AS OF 9-30-74, 9-30-75 AND

9-30-76. DATA REQUESTED IN ORDER TO EXPEDITE PAYMENT
SUBJECT ARREARAGES.

FIRSTLY, WE REQUEST YOUR AND/OR ABATEX'S CLARIFICATION

OF THE CONNECTION BETWEEN NEED OF HISTORIC DATA AND
ARREARAGES SETTLEMENT.

B. CERTIFICATION OF CITIBANK'S INDEBTEDNESS CAN ONLY BE
OBTAINED FROM CITIBANK.

C. REGARDING ABATEX INDEBTEDNESS TO EXIMBANK, PLEASE
REFER TO OUR LETTERS TO PEATS LAGOS DATED AUGUST 20, 1975
AND DECEMBER 28, 1976. IN ADDITION, BY SEPARATE MESSAGE
WE ARE REQUESTING AMERICAN EMBASSY IN LAGOS TO PROVIDE
YOU WITH COPY OF OUR MAY 6, 1977 LETTER WHICH SETS FORTH
DETAILED LOAN HISTORY.

D. BE ASSURED OF OUR WILLINGNESS TO COOPERATE IN PROVID-
ING WHATEVER DATA WE CAN. FOREGOING CORRESPONDENCE
SHOULD ANSWER NECESSARY QUESTIONS. IF QUESTIONS REMAIN
AFTER YOU HAVE HAD OPPORTUNITY TO REVIEW LETTERS, PLEASE
TELEX US DIRECTLY. UNQUOTE.

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3. EXIMBANK HAS PREPARED LETTER FOR FINANCE MINISTRY
MBAMARAH WHICH WILL BE SENT TO EMBASSY BY DIPLOMATIC AIR
POUCH FOR HAND DELIVERY BY APPROPRIATE AMEMBASSY OFFICIAL.

4. FOR THE REASONS SET FORTH IN EXIMBANK'S AFOREMENTIONED
LETTER TO MBAMARAH, EXIMBANK HAD CONCLUDED THAT ONLY
PRACTICAL SOLUTION FOR ABATEX SITUATION IS FOR MINFIN TO
PREPAY INDEBTEDNESS. REPORTED PART PAYMENT OF ARREARAGES
(NOT YET RECEIVED) DOES NOT AFFECT THIS DECISION,
E.G., ARREARAGES ARE PRESENTLY IN EXCESS OF DOLS. 2.5
MILLION. EVEN WITH DOLS. 881,000 PART PAYMENT, ARREARAGES
WILL INCREASE TO IN EXCESS OF DOLS. 2.8 MILLION BY
AUGUST, 1977.

5. ABATEX SITUATION IS AT SUCH A POINT THAT EXIMBANK
BELIEVES BEST COURSE OF ACTION IS FOR EMBASSY TO ADVISE
ABATEX AND/OR FNG TO COMMUNICATE VIA TELEX OR LETTER
DIRECTLY TO EXIMBANK WITH COPY TO EMBASSY. EXIMBANK NOTES
WITH CONCERN MINFIN'S REQUEST FOR EMBASSY TO AGAIN PRESS
ABATEX DIRECTLY FOR PAYMENT AND THAT IF ABATEX ADMITS
IN WRITING ITS INABILITY TO PAY, MINFIN WOULD STEP IN AS
GUARANTOR AND PAY ARREARAGES. TECHNICALLY, THIS IS A
DIFFICULT SITUATION AS FOR EXAMPLE THERE WOULD BE
POTENTIALLY SERIOUS LEGAL CONSEQUENCES UNDER LOAN

AGREEMENT IF ABATEX ADMITS IN WRITING ITS INABILITY TO PAY.
WHEN SAMPSON REPORTS ON JUNE 22 DIRECTORS' MEETING,
REQUEST EMBASSY ASK SAMPSON TO TELEX EXIMBANK DIRECTLY
WITH RESULTS. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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